

July 16, 2007

Tay Yoshitani, Chief Executive Officer
Port of Seattle
P.O. Box 1209
Seattle, WA 98111

RE: King County Proposal to Purchase Lora Lake Apartments

Dear Mr. Yoshitani:

I am writing to request your and the Port of Seattle Commissioners' consideration of a proposal by King County to purchase the Lora Lake Apartments property and the adjoining parcel for fair market value as determined by an independent appraisal. We estimate this value to be approximately \$18 million. Sale of the property for on-going residential use will generate approximately \$11 million more in revenue to the Port than the property will yield as a warehousing/light industrial development site.

As this offer provides a substantial financial benefit to the Port, and the preservation of Lora Lake Apartments is an issue of regional significance, I would urge that this matter be brought before the Commissioners for a formal decision.

In the numerous discussions with King County regarding the future of the Lora Lake Apartments property, you and other Port officials have indicated no fundamental opposition to the concept of housing remaining on the property outside of the runway protection zone. All FAA and county codes permit continued residential use in this locale. My understanding is that if the City of Burien had consented, not only would the Port have supported keeping most of the Lora Lake Apartments in operation, but at one point considered allowing additional housing to be developed on the vacant four acre parcel immediately to the south of the apartments. Unfortunately, the City of Burien chose not to accept our proposal.

While we respect the Port's intention to abide by Burien's decision, we believe that the Port should also formally decide upon the proposal given the substantial potential revenue for the Port. Those revenues could be used to help implement the partnership with the City of Burien on the redevelopment of this property and others in Burien's Northeast Redevelopment Area (NERA). King County strongly believes community, regional and taxpayer interests are better served by preserving this housing and using the \$11 million plus in excess revenue generated by the highest and best possible use of the property to further the Port's and Burien's business and economic development goals. This excess revenue represents a substantial financing tool for the development of the rest of the NERA site north of the highway. In addition, PILOT payments to the City of Burien for the housing portion of the site would be guaranteed at \$20,000 a year – approximately what the property would yield Burien in tax receipts if the apartment complex was privately owned, and greater than tax receipts from warehouse/light industrial use.

We also note and appreciate the Port's and Burien's on-going concerns regarding the potential environmental impact of Third Runway operations. Please be assured that, if the property remains as housing, King County will continue to assess and, if necessary, fully mitigate any adverse impacts, including noise and air quality, to assure that the property complies with all health and safety standards applicable to residential use.

King County will include in this purchase the 4.2 acre vacant parcel to the south of Lora Lake. The county will commit to working with the Port and the City of Burien to develop a use that is compatible with airport operations and local land use plans and generates revenue for the city. We are also interested in hearing from the Port regarding your interests in the development of other parcels in the area. There are several scenarios we can consider in shaping this part of the offer.

As the owner of the property and the ultimate decision-maker with regard to the long-term use of Lora Lake, we urge Port Commissioners to consider the larger community and regional interests alongside those of Burien's elected officials.

King County and its partners are exploring all options to save Lora Lake including potential legal options such as condemnation of the property. We hope to avoid such conflicts and instead bring this issue to a successful conclusion for all parties. To that end, I want to assure you that if the Port does take up this proposal, King County and the King County Housing Authority will cease those efforts and abide by whatever decision the Port Commission makes.

As we have discussed previously, 14 local governments in King County, including the City of Seattle, have signed onto the Committee to End Homelessness and are committed to doing their part to preserve and expand the affordable housing stock in King County. We would hope the Port will choose to play a part in ending homelessness in King County as well. We believe this proposal is not only a good business decision for the Port but also shows the Port's support for our shared commitment to addressing the affordable housing crisis in King County and protecting the already existing affordable housing for our poorer residents and tax-payers.

As you are aware, time is of the essence in trying to resolve this issue. I very much appreciate your commitment to working with King County to try to find a mutually acceptable resolution.

Sincerely,

Ron Sims
King County Executive

cc: Port of Seattle Commissioners

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